

Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AGR-01 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 NSCE-00
SSO-00 ICAE-00 INRE-00 DOEE-00 IO-13 AF-10 ARA-10
EA-10 EUR-12 NEA-11 OIC-02 /154 W
-----113697 301903Z /42

O 301836Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 1561
INFO AMEMBASSY BRUSSELS
AMEMBASSY BRASILIA
AMEMBASSY TOKYO

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USMTN USEEC

ACTION STR FOR AMB. WOLFF

PASS TREASURY

STR PASS CODEL

E.O. 11652, N/A
TAGS: ETRD, MTN
SUBJECT: BALANCE-OF-PAYMENTS REFORM

REF: GENEVA 9615

1. IN VIEW OF CONCERNS EXPRESSED RECENTLY REGARDING
POSSIBLE LIMITATIONS ON U.S. FREEDOM OF ACTION IN
BALANCE-OF-PAYMENTS AREA THAT MAY EMERGE FROM MTN, DEL
BELIEVES IT USEFUL TO REVIEW OUR POSITION AND CURRENT
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SITUATION AS WE MOVE TOWARD CLOSING OUT THIS IMPORTANT
ISSUE IN FRAMEWORK NEGOTIATIONS.

2. TO ASSIST IN CONSULTATIONS WITH CONGRESSIONAL ADVISERS
WE PRESENT FOLLOWING ASSESSMENT OF NEGOTIATIONS TO DATE,
CENTERING NOW ON GATT SECRETARIAT'S DRAFT B/P
"DECLARATION," INF/25 (REFTEL):

A. U.S. WOULD BE UNDERTAKING NO NEW COMMITMENTS VIA "BEST-EFFORTS PLEDGE" TO AVOID USE OF B/P TRADE MEASURES THAT IT HAS NOT ALREADY SUBSCRIBED TO IN OECD TRADE PLEDGE. IT WOULD INSTEAD SOLIDIFY IN GATT CONTEXT EXISTING, DE FACTO MORATORIUM ON SUCH MEASURES AMONG DCS IN RETURN FOR GREATER DISCIPLINE ON LDCS.

B. WE SEE KEY BENEFITS OF CURRENT SECRETARIAT NEGOTIATING TEXT AS FOLLOWS: (1) IT WOULD LEGITIMIZE UNDER GATT NON-QR MEASURES, PER OUR TRADE ACT MANDATE (ALTHOUGH THIS IS VERY DIFFICULT NEGOTIATING POINT WITH EC); (2) IT WOULD IN ANY CASE IMPOSE GREATER DISCIPLINE ON ALL B/P MEASURES, INCLUDING SURCHARGES AND DEPOSITS, TAKEN BY ALL COUNTRIES; AND (3) IT WOULD CREATE IMPROVED ATMOSPHERE IN DISCIPLINING LDC ACTION, VIA MORE MEANINGFUL REVIEW PROCESS.

C. DISCUSSION ON SECRETARIAT B/P TEXT IN THIS MORNING'S SESSION OF 7-PLUS-7 GROUP WAS QUITE POSITIVE. EC (LUYTEN) WAS TOTALLY ISOLATED IN RESISTING "LEGALIZATION" OF NON-QR MEASURES (PARA. 2, MTN/INF/25). JAPAN, THE OTHER KEY HOLD-OUT ON THIS ISSUE, HAS INFORMED OTHER DELS LIMITED OFFICIAL USE

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IT NOW PREPARED TO ACCEDE (BUT DID NOT ARRIVE AT MEETING IN TIME TO SAY SO). RE "BEST-EFFORTS PLEDGE" IN PARA. 1 OF TEXT, U.S. AND OTHER DELS SUPPORTED BUT EC DID NOT RPT NOT EXPLICITLY OPPOSE.

3. AS FINAL ISSUE, WE MAY WANT TO CONSIDER PUTTING B/P DECLARATION ON RENEWABLE BASIS, SAY, IN TWO YEARS' TIME. THIS COULD HAVE ADVANTAGE OF GREATER FLEXIBILITY FOR ADHERENTS, WITHIN A DISCIPLINED FRAMEWORK.

4. DRAFTED BY MARK. MCDONALD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS, REORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA09983
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780271-0338
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978064/aaaaadeq.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5ba84685-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 9615
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2282528
Secure: OPEN
Status: NATIVE
Subject: BALANCE-OF-PAYMENTS REFORM
TAGS: ETRD, MTN
To: STATE USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5ba84685-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014